



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 10/3/2005

GAIN Report Number: AR5029

Argentina

Dried Fruit

Annual

2005

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Report Highlights:

Calendar Year (CY) 2006 plum production is forecast at 80,000 metric tons (MT) of which 79,000 MT will be processed. Exports are expected to increase due to high international prices. Imports are almost inexistent and domestic consumption is expected to remain at a level similar to that of previous years.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Buenos Aires [AR1]
[AR]

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Section I. Situation and Outlook

Production areas

Dried prunes are produced in the Province of Mendoza, which is located alongside the Andes Mountains. According to official numbers, 12,400 hectares are currently planted with plums in this province. Since Mendoza is a very dry province, with annual average rainfall of 8 inches or less, all plantations are irrigated. The main source of water is melted snow from the Andes. There are three main production zones in the province of Mendoza, called oases.

The oldest and most traditional production zone, the southern zone, encompasses the departments (counties) of San Rafael and General Alvear. It has a total planted area of 9,550 hectares, 77 percent of the total planted area in the Province of Mendoza. Farms in this area are small, not over 2.8 hectares, and are generally subsistence in nature. Production is characteristically low tech with yields no greater than 6 MT per hectare. With regards to the age of the plantations, 6,500 hectares are in the productive range between 6 and 30 years old, 2,500 hectares are younger than 5 years and 550 hectares are older than 30 years old.

In the eastern zone, with 2,600-planted hectares, the average farm size is three hectares. Yields in this zone go as high as seven metric tons per hectare. Plantations between 6 and 30 years old occupy 2,000 hectares, those younger than 5 years old occupy 500 hectares, and those older than 30 years old occupy 100 hectares.

The last zone, the Uco Valley, is where better trained and entrepreneurial farmers have settled during the past 20 years. With a total planted area of 250 hectares, the average farm size in this area is 5.2 hectares and yields reach 15 MT per hectare.

Production

Currently trees are still in blossom, and the CY 2006 crop is developing. Sources in the industry report that the CY 2006 crop will probably surpass previous season's production by 10,000 MT due to better agricultural practices and more plants entering into production. Production is forecast at 80,000 MT. (See statistical tables).

Total production of fresh plums in CY 2005 reached 70,000 MT. Total production destined for processing is 69,300 MT. According to sources in the industry, three kilos of fresh plums yield one kilo of dried prunes. Therefore, total production of dried prunes for CY 2005 has been estimated at 23,000 MT. In Argentina, drying technology is still very traditional with 73 percent of the prunes dried in the sun on nets hanging from a frame, and only 23 percent in ovens, which run mainly on natural gas.

According to a report prepared by the Institute for Rural Development (IDR), only two percent of the total planted area is protected against hail damage. Since the southern zone is highly prone to hail and at the same time the most important production area in the province, the risk of losses due to hail damage is very high. The hail season starts in mid November and goes until the end of January.

Varieties

In the eastern zone, the D'agen variety accounts for 100 percent of the planted area. In the southern zone, the D'agen variety occupies 98 percent of the area, while the rest is accounted for by Stanley, President, and others varieties of minor importance. In the Uco Valley D'agen covers 60 percent of the area, while the other 40 percent is the President variety.

Consumption

Domestic consumption of prunes in Argentina is limited to prunes in syrup. CY 2005 domestic consumption of dried prunes is estimated in 40 grams per capita per year, which means a total of 1,600 MT, destined to direct consumption. Also, the processing sector purchases 600 MT per year.

Trade

CY 2006 exports are expected to grow to 25,000 MT as a result of higher production and the good international market price. Through July 2005, registered dried prune exports reached 10,000 MT, 5,000 MT more than during the same period in CY 2004. CY 2004 export volume was 15,000 MT valued at US\$25 million. However, industry sources expect that in CY 2005 prune exports will surpass CY 2004 numbers by 7,000 MT, reaching a total of 22,000 MT. In CY 2005 export values increased as a result of high international prices. While in CY 2004 the averaged FOB price was US\$1.67 per MT, in CY 2005 prices reached US\$2.07 per MT.

Argentina Export Statistics						
Commodity: 081320, Prunes, Dried						
Calendar Year: 2002 - 2004						
Partner Country	2002		2003		2004	
	USD	Quantity	USD	Quantity	USD	Quantity
World	23,023,165	23,861	32,559,105	28,819	25,117,821	15,067
E.U.	10,579,101	10,014	14,205,052	11,556	7,135,466	4,011
Brazil	7,515,226	8,605	8,388,770	8,575	9,307,118	6,011
Russian Federation	1,614,692	1,188	6,709,892	5,303	4,525,822	2,809
United States	476,050	552	46,757	35	2,003,003	890
Algeria	59,750	57	510,166	415	654,469	411
Canada	0	0	26,802	22	522,032	254
Chile	293,935	498	1,282,170	1,487	314,342	297
Mexico	572,640	580	406,545	361	261,210	143
Uruguay	224,395	198	156,120	134	116,290	74
Bolivia	32,175	31	51,825	53	70,575	53
Dominican Republic	122,529	107	218,945	156	69,749	44
Others	1,532,672	2,030	556,061	724	137,745	71

Imports and Exports Requirements

Outside the Mercosur Area	
Import Tariff	10 %
Statistical Tax	0.50%
Export Tax	5.00%
Rebates: Cases with more than 1 kg.	5.00%
Cases with 1 kg. or less	6.00%
Inside the Mercosur Area	
Import Tariff	0.00%
Export Tax	5.00%
Rebate: Cases with more than 1 kg.	5.00%
Cases with 1 kg. or less	6.00%

Prices

Domestic Prices

International Prices

Prices Table			
Country	Argentina		
Commodity	Prunes (Plums, Dried)		
Prices in	US\$ FOB	per uom	MT
Year	2004	2005	% Change
Jan	1.26	1.95	55%
Feb	1.34	1.82	36%
Mar	1.39	2.16	55%
Apr	1.48	2.08	41%
May	1.6	2.14	34%
Jun	1.54	2.05	33%
Jul	1.64	2.1	28%
Aug	1.79		-100%
Sep	1.8		-100%
Oct	1.8		-100%
Nov	1.76		-100%
Dec	1.94		-100%
Exchange Rate	2.9	Local Currency/US \$	
Date of Quote	9/29/2005	MM/DD/YYYY	

Section II. Statistical Tables

PSD Table							
Country	Argentina						
Commodity	Prunes (Plums, Dried)				(HA) (1000 TREES) (MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Area Planted	0	12500	0	12500	0	12500	(HA)
Area Harvested	0	8850	0	8850	0	8850	(HA)
Bearing Trees	0	6000	0	6000	0	6000	(1000 TREES)
Non-Bearing Trees	0	2500	0	2500	0	2500	(1000 TREES)
Total Trees	0	8500	0	8500	0	8500	(1000 TREES)
Beginning Stocks	0	0	0	4010	0	3783	(MT)
Production	0	22000	0	23000	0	27000	(MT)
Imports	0	10	0	173	0	15	(MT)
TOTAL SUPPLY	0	22010	0	27183	0	30198	(MT)
Exports	0	15000	0	22000	0	25000	(MT)
Domestic Consumption	0	2200	0	2200	0	2200	(MT)
Ending Stocks	0	4010	0	3783	0	3598	(MT)
TOTAL DISTRIBUTION	0	22010	0	27983	0	30798	(MT)